



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

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July 5, 2016

Mavis T. Thompson, Esq
License Collector, City of St. Louis
City Hall
1200 Market Street, Room 104
St. Louis, MO 63103-2884

RE: Review of Parking Garage & Lots Tax Collections (Project #2016-RR05)

Dear Ms. Thompson:

The Comptroller's Internal Audit Section has completed a review of the License Collector's Office - Parking Garage and Lots tax collections. Enclosed is our report covering the period July 1, 2015 through March 31, 2016. A description of the scope of our work is included in the report. Fieldwork was completed on June 13, 2016.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Ishmael Ikpeama, Ph.D.
Internal Audit Supervisor

Enclosure

CC: Aaron Phillips, Chief of Staff, License Collector's Office
Alnita Hopkins, Executive Assistant License Collector's Office





CITY OF ST. LOUIS

LICENSE COLLECTOR

PARKING GARAGE AND LOTS TAX COLLECTIONS

REVENUE REVIEW

JULY 1, 2015 THROUGH MARCH 31, 2016

PROJECT #2016-RR05

DATE ISSUED: JULY 5, 2016

Prepared By:

The Internal Audit Section



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
LICENSE COLLECTOR
PARKING GARAGE AND LOTS TAX COLLECTIONS
REVENUE REVIEW
JULY 1, 2015 THROUGH MARCH 31, 2016**

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**CITY OF ST. LOUIS
LICENSE COLLECTOR
PARKING GARAGE AND LOTS TAX COLLECTIONS
REVENUE REVIEW
JULY 1, 2015 THROUGH MARCH 31, 2016**

SUMMARY

Background

The mission of the License Collector's Office is to:

- Assist all enterprises, large and small, in obtaining the proper license(s) as required by law to operate a business in the City of St. Louis.
- Uphold and enforce all state statutes, city ordinances, codes, regulations, policies and procedures relative to the operations of the office.
- Access and collect all taxes from businesses for the distribution of funds and operating expenses in accordance with legal obligations and responsibilities.
- Serve as a watchdog against fraudulent and unlicensed businesses, and shall be fiducially responsible as the official keeper of business records.

The License Collector is responsible for collecting a 5% tax of gross receipts on parking garages and lots in the City. All parking garages and lots are required to file a report quarterly with the License Collector's Office based on their gross receipts. The sum of \$2,039,223 was collected as tax over our review period, while \$6,693 was collected as penalty for late filing and payments during the same period.

Purpose

The purpose of this review was to determine if the License Collector effectively and efficiently managed risks relating to the tax collections from the parking garages and lots to ensure:

- Compliance with applicable laws, regulations, policies and procedures.
- Safeguarding of assets.
- Reliability and integrity of financial and operational information.
- Economic and efficient use of resources.

Scope and Methodology

The scope of the review covered the period July 1, 2015 through March 31, 2016. The review was confined to evaluating internal controls over the tax collection procedures relating to the objectives noted above. The review procedures included:

- Inquiries of management and staff
- Analytical review of past years revenues
- Reviews of revenue procedures and compliance with applicable laws, contract agreements, regulations, policies and procedures.

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SUMMARY

- Limited tests of revenues budgeted, collected and recorded
- Other procedures as considered necessary.

Status of Prior Observations

There has been no prior audit performed by the Internal Audit Section related to the License Collector's tax collection from parking garages and lots within the last five (5) years. As such, there were no recent prior observations to follow-up on.

Exit Conference

There were no observations noted in the report. It was agreed that exit meeting was not necessary.

Conclusion

We found no evidence to suggest that the License Collector's Office did not have adequate internal controls in place and operating effectively and efficiently to manage risks pertaining to parking garage and lot tax collections. As a result, there are no reportable exceptions or observations resulting from our review.

We did note several internal control strengths. These included, but were not limited to the following:

- Written revenue receipts/collections policies and procedures.
- Written policies and procedures on distributions from funds accounts.
- Weekly delinquent gross receipts reports were generated to monitor gross receipt tax payments.
- Periodic sweeps conducted by Field Service Representatives to ensure compliance by operating garages and lots.
- Generation of a daily lockbox payment register report to track gross receipts tax paid at the bank.
- Monthly reconciliations of all the Bank Accounts to the General Ledger were performed by the Senior Accountant.
- Maintenance of records for the gross receipts taxes filings and payments.